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**BEFORE THE ARIZONA CORPORATION COMMISSION**AZ CORP COM  
DOCKET CO

2014 JUN 25 PM 2 08

BOB STUMP  
ChairmanGARY PIERCE  
CommissionerBRENDA BURNS  
CommissionerSUSAN BITTER SMITH  
CommissionerBOB BURNS  
Commissioner

Arizona Corporation Commission

**DOCKETED**

JUN 25 2014

**ORIGINAL**

DOCKETED BY

IN THE MATTER OF THE  
APPLICATION OF CHAPARRAL CITY  
WATER COMPANY FOR A  
DETERMINATION OF THE CURRENT  
FAIR VALUE OF ITS UTILITY PLANT  
AND PROPERTY AND FOR  
INCREASE IN ITS RATES AND  
CHARGES BASED THEREON

DOCKET NO. W-02113A-13-0118

**CHAPARRAL CITY WATER  
COMPANY'S REQUEST FOR  
ORDER *NUNC PRO TUNC***

Through this filing, Chaparral City Water Company ("CCWC") respectfully requests that Decision No. 74568 (the "Decision") be amended *nunc pro tunc* to address certain clerical errors in the Decision. Based on its review of the Decision, CCWC has determined that the rate design in the Decision under-recovers the authorized revenue by approximately \$250,000 and as a result does not allow CCWC to recover its authorized rate of return. CCWC requests that the Commission amend the Decision to include rates that allow CCWC to recover its authorized revenue requirement and rate of return.<sup>1</sup>

CCWC also notes the following clerical errors that it requests the Commission address in a revised Exhibit C to the Decision:

<sup>1</sup> Rates authorized by the Commission must be sufficient to produce the authorized rate of return on the utility's fair value rate base. See, e.g., Consolidated Water Utilities, Ltd. v. Ariz. Corp. Comm'n, 178 Ariz 478, 484-85, 875 P.2d 137, 143-44(App. 1994) (finding that rates producing less annual revenue than authorized, were "unreasonable and unlawful.") .

1           1.       The rates set forth in Exhibit C of the Decision do not include the  
2 \$0.0573 per kgal charge for residential and commercial customers for purposes of  
3 funding the low income program. CCWC requests that charged be delineated separately  
4 on Exhibit C.

5           2.       CCWC requests that the commodity charges by meter size as set  
6 forth in Exhibit C of the Decision state "Residential and Commercial Classes" rather  
7 than "All Classes". In addition, the heading for "Irrigation and Hydrants-All Meter  
8 Sizes" should be revised to read "Irrigation, Hydrants and Fire Sprinklers". These  
9 revisions will avoid confusion and provide clarity for the tariff to be filed by CCWC.

10          3.       The service line charge for the 1 1/2 inch meter should be \$470  
11 rather than \$570. The \$470 is the amount proposed by Commission Staff and accepted  
12 by CCWC and would correctly lead to the total amount of \$837.

13               Given that these amendments to the Decision do not affect the authorized  
14 revenue requirement, these changes to rate design should be treated as a computational  
15 error that CCWC submits may be corrected by a procedural order. If, however, these  
16 computational errors are not corrected by procedural order and must await approval at a  
17 later Open Meeting, CCWC requests that the Commission approve these corrected rates  
18 immediately, or in the alternative, approve a limited surcharge to address the shortfall in  
19 revenue that it will receive as a result of the current rate design. If the proper rate design  
20 is corrected no later than the Commission's July 22-23 Open Meeting, CCWC will waive  
21 its legal right to this additional revenue (*i.e.*, will not seek this surcharge or other  
22 mechanism to address this shortfall). However, if approval an amendment is delayed  
23 beyond such date, CCWC requests that the Commission approve a limited surcharge so  
24 that it may recover the difference between the rates approved in the Decision and  
25 effective as of July 1, 2014 and the proper rates that will allow CCWC to recover its  
26 authorized revenue requirement. Further, in the amended decision, CCWC requests that

1 the modified rates be effective immediately upon the effective date of the amended  
2 decision and that the revised rates apply to "all bills issued after such effective date."

3 RESPECTFULLY SUBMITTED this 25<sup>th</sup> day of June, 2014.

4 LEWIS ROCA ROTHGERBER, LLP

5  
6 By



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12 ORIGINAL and thirteen (13) copies  
13 of the foregoing filed  
14 this 25th day of June, 2014, with:

15 The Arizona Corporation Commission  
16 Utilities Division – Docket Control  
17 1200 W. Washington Street  
18 Phoenix, Arizona 85007

19 Copy of the foregoing hand-delivered  
20 this 25th day of June, 2014, to:

21 Steve Olea  
22 Utilities Division  
23 Arizona Corporation Commission  
24 1200 W. Washington Street  
25 Phoenix, Arizona 85007

26 Lyn Farmer  
27 Chief Administrative Law Judge,  
28 Hearing Division  
29 Arizona Corporation Commission  
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32 Janice Alward, Chief Counsel  
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37 Chairman Bob Stump  
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1 Commissioner Susan Bitter Smith  
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5 Copy of the foregoing mailed  
6 this 25th day of June, 2014, to

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